



Department  
for Education

# Free Schools in 2014

## How to apply

### Mainstream and 16 to 19 Free Schools



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# 1. Things to know before you start

## Vision

1.1 We want to improve our education system so that all children thrive and prosper, whatever their background. We want parents to have a choice of more good schools and to have the opportunity to open new schools where they want them.

1.2 The Free Schools programme is helping us realise this vision. In response to parental demand, new or existing providers can establish – faster than ever before – schools that are supported by local parents and offer high standards. By introducing increased competition, innovation and parental choice we aim to raise standards across the school system.

1.3 The whole point of the Free Schools policy is that it should encourage innovation and be driven by the vision and passion of those proposing a school. There are four main categories of Free School: mainstream, 16 to 19, special and alternative provision. You can find out more about the characteristics of these types of school and how to apply if your vision does not fit precisely with them in **Annex A**.

1.4 This guidance is for people who would like to establish a mainstream or 16 to 19 Free School. If you are interested in applying to set up a special Free School or an alternative provision Free School, you should refer to the specific guidance available [here](#). You can also find out about how to apply to establish a University Technical College or Studio School [here](#). This guidance contains a number of technical terms and you may find it useful to refer to the glossary of terms provided in **Annex D**.

## What is a Free School?

1.5 **Free Schools** are state funded schools, independent of local authorities. Anyone can apply to set them up without waiting for permission from local authorities or other schools.

1.6 **Mainstream Free Schools** can be primary, secondary, middle or all-through schools. From the 2013/14 financial year, they will be funded on new locally determined funding formulae in line with all other schools, as part of the wider reforms to school funding; they will continue to be funded directly by the Education Funding Agency (EFA). Mainstream Free Schools are also able to offer nursery provision. This may be funded up to 15 hours by the local authority<sup>1</sup>.

1.7 **16 to 19 Free Schools** are stand-alone institutions concerned with the education of 16-19 year olds. They are funded directly by EFA on the basis of

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<sup>1</sup> See **Annex B** for further information on funding for nursery provision.

the national funding formula for 16 to 19 provision. If you wish to set up a **16 to 19 Free School**, please submit your application using this mainstream guidance and the accompanying mainstream application forms and templates. We do not accept applications to set up 16 to 19 Free Schools from 11-16 schools that want to extend their existing school. 11-16 schools wanting to establish 16-19 provision should make an application to the Education Funding Agency (in the case of Academies) or their local authority (in the case of local authority maintained schools).

## Free Schools: law and policy

1.8 Mainstream Free Schools are new Academies and as such are independent schools to which the relevant Independent School Standards apply. The Education (Independent School Standards) (England) Regulations 2010 are available [here](#)<sup>2</sup>. 16 to 19 Free Schools are not independent schools and are not covered by the Independent School Standards. They operate on a similar basis to Sixth Form Colleges, for example, in relation to admissions and the curriculum.

1.9 Each Free School will enter into a contract with the Secretary of State. This contract, termed the 'funding agreement'<sup>3</sup>, sets out the arrangements and standards by which the Free School must be run in order to receive funding from the Secretary of State. The model documents can be found [here](#)<sup>4</sup>.

1.10 You should be aware of the following key requirements.

1.11 **Mainstream Free Schools** must:

- Adopt fair practices and arrangements that are in accordance with the School Admissions Code, the School Admissions Appeals Code and admissions law as it applies to maintained schools. Free Schools designated as having a religious character will have to balance the needs of (a) children of the particular faith, and (b) children of other faiths or none; and when oversubscribed, will have to limit those admitted solely on the basis of faith to 50% of their yearly intake;
- Follow the statutory assessment (i.e. testing) arrangements as they apply to maintained schools<sup>5</sup>;

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<sup>2</sup> The Independent School Standards are currently being revised (July 2012). Updated regulations may therefore be in force when your school opens.

<sup>3</sup> For simplicity we use 'funding agreement' throughout the application documents to refer to the formal legal agreement between the Academy Trust and the Secretary of State. In addition to the funding agreement, the law allows the Secretary of State to fund Academies (including Free Schools) by payment of grant.

<sup>4</sup> The model Free School funding agreement is currently being reviewed. A new version of the model documents will be published in the autumn.

<sup>5</sup> See [Annex D](#) for further information on statutory assessment arrangements.

- Collect performance data, publish results<sup>6</sup> and be subject to Ofsted inspection under the same framework that applies to all publicly funded schools;
- Have regard to the Special Educational Needs Code of Practice. Please note the Special Educational Needs and Disability Green Paper consultation response, 'Progress and next steps'<sup>7</sup>; and
- Provide a broad and balanced curriculum including the core subjects of English, maths, and science and make provision for the teaching of religious education.

#### 1.12 16 to 19 Free Schools must:

- Have admissions arrangements and criteria which are fair, objective and transparent. They are able to select pupils based on GCSE grades or other criteria. They do not need to admit students on the basis of the School Admissions Code;
- Have a curriculum that is suitable to the requirements of the students but can include vocational, social, physical and recreational training;
- Encourage students to achieve English and maths GCSE A\*-C or take English and maths provision that will lead to significant progress towards this if it has not already been achieved;
- Collect performance data, publish results and be subject to Ofsted inspection under the Common Inspection Framework; and
- Ensure equality of opportunity for students with any disability including learning difficulties that constitute a disability. Please note the Special Educational Needs and Disability Green Paper consultation response, 'Progress and next steps'.

#### 1.13 Free Schools do not have to:

- Follow the National Curriculum;
- Employ teachers with Qualified Teacher Status (QTS)<sup>8</sup>; or
- Comply with the provisions in the School Teachers' Pay and Conditions Document.

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<sup>6</sup> For secondary schools, this reporting currently includes the proportion of Key Stage 4 pupils attaining 5 or more GCSEs at A\*-C (or equivalent) including English and maths and English Baccalaureate results.

<sup>7</sup> 'Progress and next steps' is available [here](#).

<sup>8</sup> With the exception of a Special Educational Needs Coordinator and the school's designated lead for looked after children, although please note that certain head teachers may hold these roles without having QTS.

1.14 If you are proposing to set up a **faith Free School** (either a school with a faith ethos or a school designated as having a religious character<sup>9</sup>) you should note that:

- The school should appeal to a wide range of parents and pupils, including those of other or no faiths;
- Certain aspects of the school will be considered in the context of whether or not there are elements of the application that would be exclusive or might deter parents of children of other faiths or none from applying for a place for their child. This could include lessons taught in community languages, large proportions of curriculum time devoted to faith-based studies, restrictive dietary requirements or the mandatory wearing of religious symbols as part of the school uniform policy; and
- A meaningful alternative must be provided for pupils whose parents wish to withdraw them from religious education, collective worship or other faith-based studies.

1.15 Please note that 16 to 19 Free Schools cannot be designated as having a religious character. Applicants may seek to establish a distinct religious ethos that is reflected within the vision and values of the school but will not normally be able to appoint teachers on the basis of faith<sup>10</sup> and will not be able to have faith based admissions arrangements for pupils.

**1.16 Independent Schools** – We welcome strong independent schools joining the state sector that could enhance choice and quality locally. We expect the benefits to justify any associated costs (in terms of capital, existing liabilities and the fact that the state would have to pay for places previously paid for by parents). Independent schools becoming Free Schools must cease selecting their intake according to academic ability. They must demonstrate how they can and will meet the needs of a new and different pupil population. When assessing applications from independent schools, we will look at: the popularity of the school; the quality of its provision; the extent to which the school has reached out beyond its current pupil/parent body; and evidenced demand from more disadvantaged families.

1.17 In addition, existing independent schools wishing to become Free Schools should meet all of the following requirements:

- Have no significant outstanding issues on compliance in their most recent inspection report;

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<sup>9</sup> Definitions of faith ethos Free Schools and schools designated as having a religious character are in the glossary ([Annex D](#)).

<sup>10</sup> There may be limited circumstances where the Academy Trust can appoint staff on the basis of their faith. The Academy Trust must demonstrate that the applicant having a particular religious belief is a genuine occupational requirement and that having that requirement is a proportionate means of achieving a legitimate aim.

- Provide a link to their most recent inspection report with their application. Schools inspected by Ofsted, the Bridge Schools Inspectorate or the School Inspection Service should have achieved a judgement of good or better in the following areas:
  - the quality of education;
  - safeguarding pupils' welfare, health and safety; and
  - promoting the spiritual, moral, social and cultural development of pupils.
- Schools inspected by the Independent Schools Inspectorate should have achieved a judgement of good or better in the following areas:
  - the quality of academic and other achievements;
  - the contribution of curricular and extra-curricular provision;
  - the contribution of teaching;
  - the quality of the pupils' personal development;
  - the contributions of arrangements for welfare, health and safety;
  - the effectiveness of governance, leadership and management;
  - the quality of education;
  - safeguarding pupils' welfare, health and safety; and
  - promoting the spiritual, moral, social and cultural development of pupils.
- Schools must be able to demonstrate that they have a good track record of managing their finances<sup>11</sup>.

**1.18 Existing schools setting up new schools** – We also welcome applications from existing schools, whether in the state or independent sector, to set up new schools. When assessing such applications we will look at the popularity and quality of provision at the existing school(s). We expect the existing provision to have been judged to be good overall in its last Ofsted inspection if it is in the state sector, and to have met the criteria in paragraph 1.17 if it is in the independent sector.

1.19 As set out in paragraph 1.7, we do not accept applications to set up 16 to 19 Free Schools from 11-16 schools that want to extend their existing school. Schools in those circumstances should make an application to the Education Funding Agency (in the case of Academies) or their local authority (in the case of local authority maintained schools).

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<sup>11</sup> See **criterion G4** for further details.

## 2. Getting started

### Before you start

2.1 Free Schools can be set up by any suitable organisation or group, such as parents, teachers or community groups. Existing independent schools are also able to apply to become Free Schools. Existing state-maintained schools, including Academies, can also apply to establish a new Free School, although 11-16 schools cannot apply to extend their provision to age 19 by establishing a 16 to 19 Free School.

2.2 Setting up a school requires a lot of time, commitment and determination. Before you start your application, you should think about:

- the type of Free School you want to establish;
- the law and policy as they apply to Free Schools;
- the potential demand in your area for the particular school you want to set up;
- potential sites for the Free School;
- the level of involvement you want to have in setting up the school;
- the relevant skills and experience you have to set up and run a school; and
- whether you need to access any additional expertise and how you might secure this.

2.3 The New Schools Network is an independent charity which we fund to provide free advice and support to groups interested in applying to set up Free Schools. We strongly recommend that you contact them before you send in your application. Click [here](#) for a direct link to their website.

### Organising your group

2.4 Applicant groups will need to look at what needs to be done, both on a short term (submitting the full application and, if approved, the huge job of preparing for the school to open) and long term basis (strategic running of the school as well as day-to-day management). The setting up of a school is a challenging task. It will require groups to organise themselves based on the skills, experience and time commitment of individual members, so that the group is deployed and governed in the most effective way. Groups may be able to identify external organisations or individuals who are willing to provide them with support free of charge.

2.5 Each Free School must be underpinned by strong governance arrangements and established on a solid legal footing. Behind any Free School is a charitable company, referred to as an Academy Trust, constituted



specifically for the purpose of establishing and running a school<sup>12</sup>. This must be set up as a company limited by guarantee to protect the individuals who establish it by limiting their personal liabilities. The company limited by guarantee should be the body making the application.

## Establishing a company

2.6 A company is made up of members and directors. **The members** of a company are its legal owners and have a strategic role in running the school and ultimate control over the company. When setting up your company you are required to have at least three founding members but you can have more. Your group will need to decide who the members of the company will be. The members appoint the directors of the company, and you will need to appoint at least one director to set up your company. This may be one of the members themselves.

2.7 **Directors** will be responsible for the day-to-day management and governance of the Free School. In other words, your directors will be the governors of your Free School and where we refer to governors and governing bodies in this guidance, we are talking about your company directors.

2.8 Company members are not always directors, but will in some cases want to undertake both roles. It is important that a majority of the directors are not also members to ensure clear lines of accountability between the two.

2.9 You will also need to complete the relevant paperwork to establish your company limited by guarantee. As founding members you need to sign a legal document known as the memorandum of association. You also need to complete the articles of association, which set out the purpose of the company and the rules that govern it. Free Schools should use our model memorandum and articles of association which can be found [here](#).

2.10 You then need to submit these completed documents along with an application to register a company and the relevant fee to Companies House. Further information on what you need to do to set up a company is available from Companies House at this [link](#). Please note that we will ask to see your memorandum and articles of association at a later date.

2.11 If you have previously established a company limited by guarantee for the purposes of running a school (and the company's object specifically reflects this) you can use this company rather than establish a new one. If successful, you will need to adopt our model documents and put forward any amendments necessary to allow the pre-existing charitable company to continue. Where you have previously established a company limited by guarantee for purposes other than running a school (even if it is for some

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<sup>12</sup> This is a requirement under the Academies Act 2010.

other educational purpose), you need to establish a new company using our model documents.

2.12 The Department's model articles have been drafted to include a 'charitable object'. This means that a company limited by guarantee using these articles becomes a charity from the moment it is incorporated (i.e. when the company is registered with Companies House) as well as an Academy Trust. From that point on, its directors will then also be its **trustees**<sup>13</sup> for charity law purposes. Once your Free School opens (on the first day of term) your company will then become an 'exempt' charity, regulated by the Secretary of State for Education (as are all Academies). You should note that the Charity Commission is not at any point the regulator for companies running Free Schools (although it will acknowledge your company as a charity, because of its charitable object). For this reason you are not required to and should not register your company, or its directors/trustees, with the Charity Commission.

2.13 The individuals behind any Free School application are crucial to its success. You will want to consider who forms your group and ensure that you are organised in an effective and appropriate way, with the right breadth and mix of skills. Groups including individuals with family, personal or business relationships will want to consider the benefits of bringing in additional people to add objectivity and challenge.

2.14 All groups should have sound financial procedures and the capacity to handle public money. For example, when spending public money you must consider the potential for conflicts of interest<sup>14</sup> and have arrangements in place to deal with them appropriately. This means that no Trust members should be involved in any decision over awarding a contract for the Free School if he or she, or any of his or her relatives, friends or business associates will benefit directly.

2.15 Individuals cannot be paid for simply being a member or a director (these are unpaid roles).

2.16 Although not generally considered good practice (because of the potential for conflicts of interest), there are some circumstances in which a company can employ and/or pay a member or director of the Trust to take on a different role in the school or to provide goods or services. Our [model articles of association](#) include provisions setting these out. If groups decide that they want to employ a member or director of the Trust, they will need to demonstrate through the application process how they will minimise and manage potential conflicts of interest, for example by describing and

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<sup>13</sup> There is guidance issued by the Charity Commission on the role and duties of charity trustees [here](#).

<sup>14</sup> The Charity Commission provides guidance on identifying and avoiding conflicts of interest which is available [here](#).

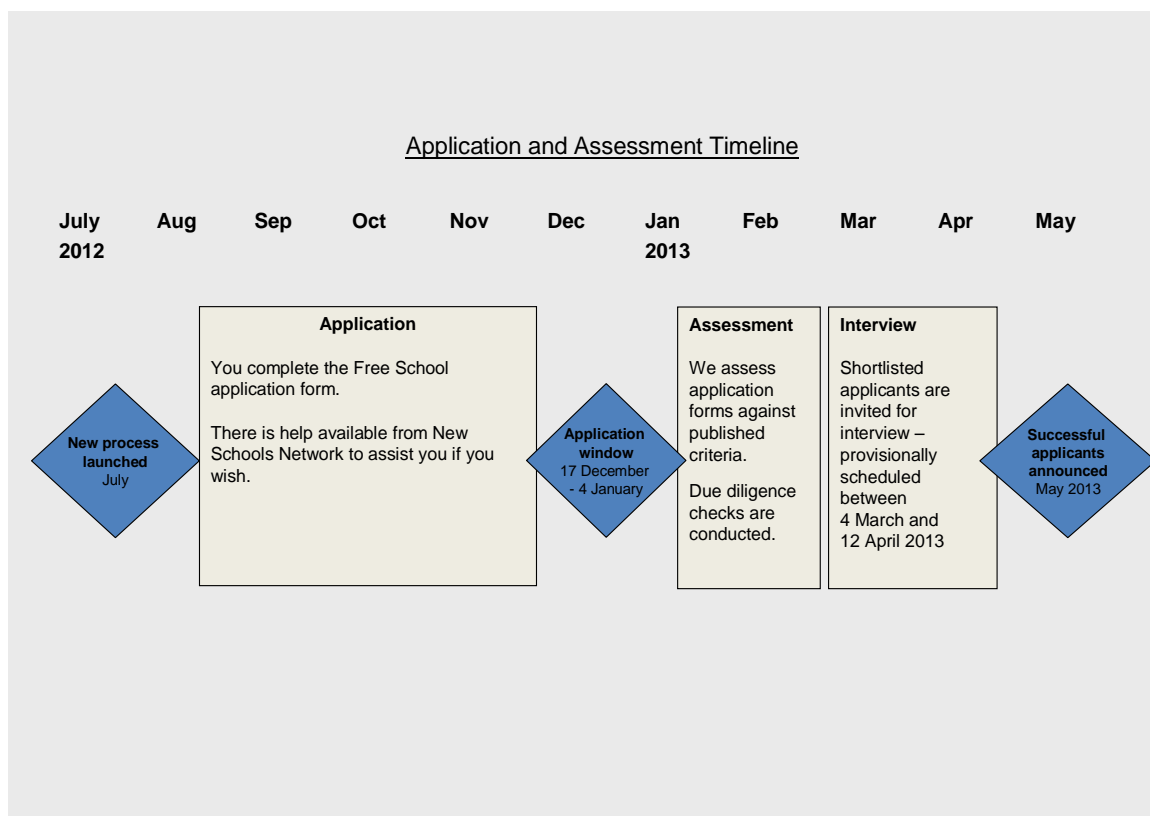
committing to fair and open recruitment processes. Our website provides guidance on procurement [here](#).

2.17 Just as every Free School application will be different, the make-up of applicant groups will be different. There is no right or wrong model for the composition of a group. Each group will want to ensure that it has the right balance of skills and experience to deliver its vision. The New Schools Network will be able to advise you on the implications of each model for you and the kinds of skills and expertise required.

## **Suitability of applicants and applications**

2.18 The Secretary of State will seek to ensure that only suitable persons are permitted to establish publicly funded Free Schools. He will consider each application on its merits, and take into account all matters relevant to the application. He will reject any applications put forward by organisations which advocate violence or other illegal activities, or by individuals associated with such organisations. In order to be approved, applications will need to demonstrate that those who will act as members and governors, and the school itself, will ensure that principles are promoted which support fundamental British values, including: respect for the basis on which the law is made and applied in England; respect for democracy and support for participation in the democratic processes; support for equality of opportunity for all; support and respect for the liberties of all within the law; and respect for and tolerance of different faiths and religious and other beliefs.

### 3. The application process explained



## What happens when

### Preparing and submitting your application

3.1 This application process is primarily for those wanting to set up a school which will open in 2014. We will only consider 2015 applications on an exceptional basis where a strong case is made for the need for an extended lead time.

3.2 Completed applications **must** be submitted to us between 9am on 17 December 2012 and 6pm on 4 January 2013. Please note that any applications received outside these times will not be considered. More detail about how to submit your application is provided in [Chapter 7](#).

3.3 It is important that you read this guidance carefully before starting your application so you understand what you need to do and the information that you must provide.

### Assessment of your application

3.4 We will assess your application against the requirements and criteria set out in this guidance. You must ensure that you provide all the information that we have asked for.

3.5 All applications will:

- be judged against the criteria set out in this guidance, other Free School applications and a range of contextual factors. **Chapter 4** provides further information about the assessment process; and
- be subject to due diligence checks. This means we will use the personal information you provide to check your suitability to set up a Free School.

## **Interviews**

3.6 If your application is assessed as one of the strongest, we will invite your group to an interview. Interviews are likely to take place between 4 March and 12 April 2013.

3.7 If you are an existing independent school, we may wish to visit your school as part of the interview process. If this is the case, the Department for Education will contact you to arrange this.

## **Decisions and pre-opening**

3.8 We hope to let everyone know the outcome of their application, successful or otherwise, in May 2013.

3.9 If the Secretary of State decides your application should progress to the pre-opening stage, we will provide you with a dedicated point of contact from the Department for Education, along with support to help secure a site and open your school.

3.10 There will be a significant amount of work to complete between the approval of your Free School application and your Free School actually opening. You should be clear therefore that members of your group are able to commit the time necessary to do this. If you employ a principal designate, senior staff, or project management support, you will need to oversee their work.

3.11 We will provide a project development grant to groups whose applications are approved to the next stage. This grant is to help cover everything that groups will need to buy up to the point that the school opens. This will include the cost of any project management and education support required and other costs such as recruiting and paying a principal designate. The amount of funding depends on the type of school. Mainstream Free Schools opening in 2013 will receive £220,000 for primary schools, £300,000 for secondary and all-through schools, and up to £25,000 for existing independent schools wishing to become Free Schools. All services you require should be affordable from this allocated funding. We will review these figures for future years with a view to making efficiency savings.

3.12 Project development funding for Free Schools opening in 2013 will be

determined on a case by case basis for groups applying to set up 16 to 19, alternative provision and special Free Schools, although we will expect to agree funding within the mainstream levels for these schools. We will review this for 16 to 19, alternative provision and special Free Schools opening in future years.

3.13 Please note that approval of your application does not mean approval of every detail, including your financial plans. Approval may be conditional on amending certain aspects of your application.

3.14 Assuming you make good progress after your application is approved, the Secretary of State will then decide whether to enter into a funding agreement with you. Some applications have been approved after interview but failed to progress to the point where the funding agreement could be signed by the Secretary of State. That demonstrates how vitally important and challenging the pre-opening phase is.

## **Appeals**

3.15 Decisions by the Secretary of State are final and there will be no formal appeals process.

## 4. How we assess applications

4.1 Your application will be assessed in the following ways:

- against the criteria set out in **Chapter 6** of this guidance;
- against other mainstream or 16 to 19 Free School applications as appropriate; and
- against a range of contextual factors including value for money.

4.2. Applications will also be subject to due diligence and other checks. You can find out more information about these checks in **Section I** of this guidance.

4.3 In assessing all applications, we will take into account a wide set of contextual factors, including, but not limited to:

- the need for more school places in the area;
- the age range of the Free School;
- overall cost;
- value for money;
- the Secretary of State's duty to consider equality issues<sup>15</sup> related to the proposed Free School;
- the standards of schools in the local area;
- the level of deprivation in the community the school will serve;
- the type of provider;
- the balance between secular and faith schools; and
- the recent track record, including on education and finance, of applicants who run existing schools.

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<sup>15</sup> [Section 149 of the Equality Act 2010.](#)

## 5. Preparing your application

5.1 A Free School application is made up of nine sections as follows:

- **Section A:** Applicant details and declaration
- **Section B:** Outline of the school
- **Section C:** Education vision
- **Section D:** Education plan
- **Section E:** Evidence of demand
- **Section F:** Capacity and capability
- **Section G:** Initial costs and financial viability
- **Section H:** Premises
- **Section I:** Due diligence and other checks

5.2 In **Sections A-H**, we are asking you to tell us about you and the school you want to establish. We have provided a form available [here](#) for you to use.

5.3 In **Section G**, you should show how you will afford your plans to establish and run your school. You need to complete two spreadsheets (to be attached separately as Excel files) to show the financial information and figures underpinning all your plans. You also need to give a narrative explanation within your application itself of the income you expect to receive and how this will be spent. The first financial plan should be developed on the basis that all the pupil places in your school will be filled. You also need to complete a second financial plan to show how you would manage your budget and remain financially viable if you only recruit 80% of the planned pupil numbers. Both financial plans should be filled out using the same [template](#).

5.4 **Section I** is about your suitability to run a Free School. All members of the company must each fill out a copy of the form available [here](#). Directors of the company, where they have been appointed, must also fill out this form.

5.5 **Independent schools** must include a link to their latest inspection report. They must also submit their last two years' audited accounts with their application, or supply alternative evidence of financial viability where the school has not been open long enough to have two years' worth of audited accounts.

5.6 You need to submit all of this information in order for your application to be assessed. **Chapter 6** provides further information on the criteria we will use to assess your application. **Chapter 7** provides further detail about how, when and where to submit your application.



## 6. Assessment criteria

6.1 You must complete all nine sections of your application in order for it to be considered. We will use the criteria outlined in this chapter to assess your application. Under each criterion we have included a description of what you should include in your application.

6.2 Your application should be no more than 150 pages long and structured in line with the criteria listed below. It should be formatted for printing on A4 paper, be completed in Arial font with a minimum font size of 12 and include page numbers. Annexes should be included within the page limit and restricted to documents relating to your evidence of demand (e.g. questionnaires and maps) and relevant CVs. Your application should be submitted as one Word document (with the exception of the financial templates which should be submitted separately in Excel and are excluded from the page limit). Please ensure that you include the name of your school in the file name for both your Word and Excel documents. Please do not include photographs, images and logos in your application (other than the demand map). Your email, submitting your application, must be no more than 10MB in size.

6.3 If you plan to use policies from another school or education provider you must be transparent about that (cite your sources), and explain your rationale for doing so. If you do not and we subsequently discover you have sourced material from elsewhere, you may not receive any scores for that section of your application.

## Section A: Applicant details and declaration

6.4 This section seeks basic information about applicants, including the main contact details of the lead applicant and the company limited by guarantee that has been formed and registered with Companies House. It also seeks information on any related organisations that have links with the applicant group as well as information from applicants who are existing education providers.

6.5 As companies limited by guarantee, certain details will be publicly available on the Companies House website. However, the personal information you provide in **Section A** will be treated in accordance with the Data Protection Act 1998.

### Data protection

The personal data you provide us with will be used to consider your application to set up a Free School and will not be used for other purposes. For the purposes of the Data Protection Act, the Department for Education is the data controller for this personal information and for ensuring that it is processed in accordance with the terms of the Act. The Department will hold all personal information you supply securely and will only make it available to those who need to see it as part of the Free School application process. All personal information supplied in these forms will only be retained for as long as it is needed for this process.

## Section B: Outline of the school

6.6 This section seeks key details on the type of Free School that is being proposed, including its name, planned yearly intakes and the number of pupils when the school is at full capacity. It also asks whether the school will be designated as having a religious character.

6.7 There are no assessment criteria for this section.

## Section C: Education vision

6.8 The education vision should act as your executive summary and describe why you want to set up your particular Free School in this area, its core features and ethos. This is your opportunity to tell us in your own words about the overarching vision for your school and how it informs your education plan. Your application should be coherent and consistent throughout and work together as a cohesive whole. You will need to demonstrate in later sections that the vision is both deliverable and affordable within the funding allocated to Free Schools.

6.9 We will be using one criterion to assess this section of your application.

### **C1: Provide a clearly focused, coherent vision that underpins the application with a compelling rationale for establishing the school.**

You must:

- Set out clearly why you are seeking to establish your Free School. Please explain why you have selected the key features of your school, including the proposed age range, curriculum, location and approach to teaching and learning;
- Identify any particular ethos you wish your school to have (including any religious or other beliefs);
- Identify how your vision and ethos (including any religious or other beliefs) are reflected in the education plan and the curriculum; and
- Set out your aspirations for the achievement of individual pupils, and the school as a whole, and why these targets are appropriate.

In preparing your application it is important to note that:

- Creationism, intelligent design and any view or theory that is contrary to established scientific and/or historical evidence or explanation must not be taught as an evidence based view or theory.

## Section D: Education plan

6.10 This is the heart of your application. Your education plan must explain how your school will achieve its education vision. You should note that Section D in the application form we have provided includes two parts for you to fill out. Part 1 asks you to fill out a table showing how your school will grow over time to full capacity. Part 2 is where you should provide the information relevant to the criteria below. The education plan must describe the structure of your school and the experience that pupils will have there. Having set out your aspirations for pupil achievement in Section C, you must show how you aim to meet these and how the school will evaluate performance, both of individual pupils and the school as a whole.

6.11 As well as being achievable, your education plan must be affordable within the funding allocated to Free Schools. In setting out the plans you have for staffing the school, you should explain how this will be afforded and provide more detail on this in the financial plan, including in the income and expenditure assumptions, in the spreadsheet (see **Section G**). For example, if you have a low pupil-teacher ratio, you should explain the rationale for this and how it will be funded.

6.12 We will be using eight criteria to assess this part of your application. Seven of these criteria apply to all Free School applications. In some instances what we ask from applications for mainstream schools and 16 to 19 schools is different. You should read this section carefully to ensure that you provide the correct information.

6.13 You should only seek to address criterion **D8** if you are intending to be a faith ethos school, a school designated as having a religious character<sup>16</sup> or if you are proposing a school with a particularly distinctive educational philosophy and worldview<sup>17</sup>.

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<sup>16</sup> See **Annex D** for an explanation of religious designation.

<sup>17</sup> A distinctive educational philosophy and worldview would include Steiner and Maharishi.

**D1: Explain the rationale for your proposed curriculum, how it reflects the needs of your anticipated pupil intake and your plans for their progression and transition.**

You must:

- Set out the rationale for your chosen curriculum and demonstrate how it meets the needs of the expected intake, whilst having an ambitious approach to meeting those needs;
- Explain how the curriculum and its delivery will improve pupil outcomes on a range of measures and, for secondary pupils, the range of qualifications which might be offered; and
- Set out clear plans for transition between phases of education and (if relevant) employment.

**D2: Set out a viable curriculum plan with appropriate focus on breadth and balance, core areas of learning, and calendar and timetable.**

If you are applying to set up a mainstream Free School, you must:

- Describe the curriculum in detail, setting out how it will be broad and balanced<sup>18</sup>;
- Set out detailed expectations around the length of the school day, term and year. This should include the number and length of lessons each day in each key stage and your plans for extended hours, and make a clear distinction between compulsory and optional activities; and
- Explain how pupils will be organised, for example through year groups, tutor groups or other class structures and how this reflects the education vision.

In preparing your application, it is important to note that:

- For primary schools, a broad and balanced curriculum should include, but not be limited to, the core subjects of English, mathematics and science and will need to support progression to secondary education;

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<sup>18</sup> In order to be considered broadly based and balanced the curriculum must (a) promote the spiritual, moral, cultural, mental and physical development of pupils at the school and of society, and (b) prepare pupils at the school for the opportunities, responsibilities and experiences of later life. For a full definition, please refer to the **glossary**.

- For secondary schools, a broad and balanced curriculum should include, but not be limited to, the core subjects of English, mathematics and science; and
- 16 to 19 Free Schools do not have to offer a broad and balanced curriculum but applicants should set out what will be covered, the range of qualifications offered and how these will meet the needs and interests of all students.

### **D3: Show how your staffing structure will deliver the planned curriculum.**

You must:

- Set out plans showing an appropriate and phased build up of staff (where the school is increasing in size over time) in line with planned pupil numbers and financial resources;
- Describe the final staffing structure and show how it is sufficient, affordable and appropriate to deliver the education vision and plan; and
- Set out the structure of the senior leadership team, heads of department, teaching staff and any non-teaching support staff, as well as a clear description of their roles and responsibilities, both in the build up phase and when at full capacity.

### **D4: Set out a clear strategy for ensuring that the needs of pupils with differing abilities are met.**

You must:

- Demonstrate an awareness of the varying needs of individual pupils and have an effective strategy for meeting them, including supporting those who need it and stretching the most able (gifted and talented pupils);
- Show how you will use ICT, other agencies and partners' resources to support the learning and achievement of pupils of varying abilities and needs;
- Describe the strategies you will use to overcome barriers to learning and achievement, such as having English as an additional language;

- Set out how you will have regard to the Special Educational Needs Code of Practice<sup>19</sup>; and
- Set out your approach to supporting disabled pupils and pupils with special educational needs, including those with and without a statement of special educational needs.

#### **D5: Tell us how your definitions and measures of success will deliver your aspirations for pupil achievement.**

You must:

- Outline the targets that are proposed, why they are suitable to measure the delivery of your education vision, and what your strategy will be to achieve them;
- Describe the proposed success measures for individual pupils and the whole school, including teaching;
- Explain how these success measures will be monitored, reviewed and reported, including your plans to develop pupil assessment and tracking systems; and
- Explain how pupil progress will be reported to parents/carers, how their views will be gathered and how parents/carers will play an active role in improving their child's progress.

<sup>19</sup> Applicants should be aware that '[Progress and next steps](#)' set out proposals designed to improve parental choice and access to educational provision for children and young people with special educational needs. Free Schools opening in 2014 will be expected to abide by the legislative framework as it exists at that time. Statutory SEN provisions do not currently apply to 16 to 19 Free Schools. Instead applicants wanting to set up 16 to 19 Free Schools should set out how they will ensure equality of opportunity for students with any disability including learning difficulties that constitute a disability.

## **D6: Describe your admissions policy, confirming commitment to fair and transparent admissions practices.**

If you are applying to set up a mainstream Free School, you must:

- Set out your admissions policy, including the criteria to be used to prioritise places if your school is oversubscribed. If your application includes boarding provision, you should set out a separate admissions policy for boarding places. Your admissions policy must be in accordance with the School Admissions Code<sup>20</sup>, the School Admissions Appeals Code and admissions law as it applies to maintained schools. It must be clearly linked to the delivery of your education vision.

If you are applying to set up a 16 to 19 Free School, you must:

- Set out your admissions policy, including any minimum requirements and the criteria to be used to prioritise places if your school is oversubscribed. Your admissions policy does not have to be consistent with the School Admissions Code, the School Admissions Appeals Code or admissions law. You must describe, however, how your admissions policy will be fair, transparent, objective and comply with the Equalities Act 2010.

If you are applying to set up a mainstream Free School which includes 16–19 provision, you must:

- Cover both of the above points setting out your admissions policies for both the 11-16 and 16-19 phases of the school.

In preparing your application, it is important to note that:

- The School Admissions Code and the School Admissions Appeals Code apply to both the 11-16 and 16-19 phases of mainstream Free Schools. Only stand-alone 16 to 19 Free Schools are able to have admissions policies that are not consistent with these Codes; and
- Free Schools designated as having a religious character will have to balance the needs of (a) children of the particular faith and (b) children of other faiths or none; and when oversubscribed, will have to limit those admitted solely on the basis of faith to 50% of their yearly intake.

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<sup>20</sup> Applicants should note that a new version of the School Admissions Code was published in early 2012 and will be applicable to admissions from September 2013 onwards. The new code should be taken into account when preparing applications and is available [here](#).



**D7: Describe how your approach to behaviour management, pupil wellbeing and attendance will improve pupil outcomes.**

You must:

- Set out detailed strategies for promoting good behaviour and attendance;
- Describe how you will promote pupil wellbeing, including through pastoral care and strategies for tackling bullying; and
- Describe how these strategies are informed by your education vision and linked to raising standards and educational outcomes.

**D8: If you are applying to set up a faith ethos Free School, a school designated as having a religious character, or one with a particularly distinctive educational philosophy and worldview, show how the needs of all children are fully provided for within the education plan.**

If you are proposing a school designated as having a religious character or a school with a religious ethos, you must:

- Describe how you will ensure that the school will be welcoming to pupils of all faiths and none, and show how the school will meet the needs of pupils of other faiths and none. You will need to set out how you think school policies will impact on these pupils. You will need to consider uniform and the wearing of religious symbols, the school meals you will provide and whether there will be dietary requirements, your religious education curriculum and the nature of collective worship; and
- Explain how the school's religious character or ethos will be reflected in the curriculum, including what percentage of your timetable will be devoted to religious education and other faith-related subjects and why this percentage is appropriate. Please set out what alternatives will be available for pupils not of the faith.

If you are proposing a school with a particularly distinctive educational philosophy and worldview, you must:

- Describe how you will ensure that the school will be welcoming to all pupils within the local community. You will need to set out how you think the curriculum and school policies will impact on all pupils and how you will explain the curriculum to parents and pupils who are not familiar with this alternative method; and

- Confirm what percentage of time is devoted to each subject.

In preparing your application it is important to note that:

- Creationism, intelligent design and any view or theory that is contrary to established scientific and/or historical evidence or explanation must not be taught as an evidence based view or theory.

## Section E: Evidence of demand

6.14 In this section we are looking for evidence that parents would send their children to your school. As funding for Free Schools is directly related to the number of pupils on the school roll (schools receive an amount per pupil), this will be crucial in proving your school can be financially viable. You should note that Section E in the application form we have provided includes two parts for you to complete. Part 1 asks you to fill out a table showing the number of pupils you intend to have in each year group and the demand you have established. Part 2 is where you should provide the information we are seeking in relation to the criteria below.

6.15 The more evidence you can provide to show you have demand for the number of pupil places you need to fill in the first two years of the school being open, the better. You must show that this demand is for your specific school and that you have engaged directly with the community you will be serving.

6.16 We will be using two criteria to assess this part of your application.

### **E1: Provide evidence of demand from parents with children of the relevant age for each new year group in each of your first two years of operation. Include confirmation from parents that they would select your Free School as the first choice for their child.**

You must:

- Provide information that clearly shows the number of parents that want to send their children to your particular school. You must ask parents who could realistically send children to the school. You will need to consider your stated admissions policy, the age range on offer and where your site will be. If you want to open a primary school in September 2014 with an intake of reception pupils and year 1 pupils, you will need to show evidence of demand from parents of children who will be:
  - i) turning five in the 2014/2015 academic year to fill your reception class in September 2014;
  - ii) turning six in the 2014/2015 academic year to fill your Year 1 class in September 2014; and
  - iii) turning five in the 2015/16 academic year to fill your reception class in September 2015.
- Tell us the exact questions that you asked in your survey and provide a summary of responses. These questions should be specific to your school and its proposed curriculum and ethos. Examples of survey questions that demonstrate this include: “do you support the ethos and objectives of X school?” and “will this school be your first choice for your child?”;

- Provide a template of the survey form you asked parents to complete; and
- Tell us how you have engaged directly with the community. This could be through public meetings, attendance at community events, discussions with local schools or parents, handing out leaflets in your local area etc.

If your application includes boarding provision, you must:

- Demonstrate demand for boarding as well as day places.

If your application is for a 16 to 19 Free School, or any other school admitting directly to Year 12 in its first two years, you must:

- Demonstrate demand directly from young people of the relevant age.

You must not send in copies of individually completed survey forms.

In preparing your application, it is important to note that:

- The more evidence you can provide to show you have demand for the number of pupil places you need to fill in the first two years, the better;
- For **Section G** you will need to fill in a financial template to show how you would amend your budget if your school only reaches 80% capacity in terms of pupil numbers;
- It is helpful for us to know where in your area the demand for your school is coming from. You should do this by supplying a map or diagram that shows the location of parents expressing a preference for the school in relation to the school's proposed site, and how this is consistent with the proposed catchment area; and
- We will ask you for updated evidence of demand if we invite you to interview so you should continue to engage with your community and collect information on an ongoing basis.

**E2: Demonstrate how you intend to reach out to the wider community including, where relevant, children from a range of backgrounds, faiths and abilities. Independent schools will need to demonstrate evidence of demand beyond their existing pupil and parent base.**

You must:

- Demonstrate how you have made, and plan to make, the school attractive to pupils of all backgrounds and abilities. This should include pupils from deprived or disadvantaged families; and
- Describe any plans you have for working with other schools, educational establishments or the wider community.

If you are proposing a school designated as having a religious character or a school with a religious ethos, you must:

- Show how the school will attract pupils from other faiths and none; and
- Demonstrate how you have engaged actively with parents of other faiths and none in establishing demand for your school.

If you are proposing a school with a particularly distinctive educational philosophy or worldview<sup>21</sup>, you must:

- Show how the school will attract pupils from all parts of the local community; and
- Demonstrate how you have engaged actively with parents not previously familiar with your curriculum model in establishing demand for your school.

If you are applying as an existing independent school, you must:

- Present evidence of demand from current and prospective parents separately; and
- Demonstrate how you have appealed, or plan to appeal, to parents who do not currently have children at the school, focussing in particular on children from more disadvantaged homes.

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<sup>21</sup> A distinctive educational philosophy or worldview would include Steiner and Maharishi.

## Section F: Capacity and capability

6.17 You must demonstrate that your group has the capacity and capability to set up **and** run a school. You must have access to appropriate educational, financial and other expertise, either within your group or externally. If your application is approved, we will provide a project development grant to help you complete all the tasks in the run up to the school opening. This grant will be limited but may be used to buy in some additional expertise during the pre-opening stage.

6.18 Before submitting an application for a Free School, you **must** have established a company limited by guarantee with members and directors (who also act as governors and trustees) appropriately skilled to discharge their duties and willing to do so without payment. This is explained in more detail in **Chapter 2** of this guidance.

6.19 We will be using five criteria to assess this section of your application. In addressing the criteria, it may be helpful to begin by giving an overview of the members and directors of your company limited by guarantee, as well as the key individuals on your steering group, to put the more detailed information required in F1-4 into context.

6.20 In providing responses to criteria **F2**, **F3** and **F4** set out below, it is important to note that:

- Expertise could come: from within your group<sup>22</sup>; through forming a partnership with an organisation or individual(s) with a successful educational track record who can provide support free of charge; by directly employing people to the Trust; or, by appointing a third party through an open and competitive tender process. You **must not** enter into any contracts in the expectation of public funds. Any contractual arrangements you are considering will need to be affordable from your project development funding. If you have been assisted in writing your application by any individuals or organisations who are not part of your Trust, you should explain how you will secure such support if you are approved; and
- Anyone spending public funds must comply with a number of legal requirements and UK Government regulations. These require that all potential suppliers are given a fair opportunity to seek your business and make competitive offers. Therefore, there can be **no guarantee** that organisations or individuals offering support in the preparation of applications will be offered contracts to continue providing such support should the application be approved.

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<sup>22</sup> Whilst it is not essential to have this expertise within the group already, applications will score more highly if this is the case.

**F1: Demonstrate a clear understanding of, and describe, the respective roles of the company members, governing body and principal in running your school.**

You must:

- Clearly describe in both writing and in a diagram the structure, lines of accountability and methods of escalation between the company members, the school's directors (who also act as governors and trustees) and the principal;
- Clearly define and set out the respective roles and responsibilities of the company members, the directors (who also act as governors and trustees), any proposed committees and the principal; and
- Set out your protocols for avoiding and minimising conflicts of interest, confirming any you have already identified, and for securing independent challenge to executives.

**F2: Show how you will access appropriate and sufficient educational expertise to deliver your vision.**

You must:

- Show that you have identified the educational resources, people and skills that you will need to set up and operate a school;
- Confirm sufficient time commitments to the project from relevant individuals; and
- Set out clear and detailed plans for identifying and securing any necessary educational expertise currently missing from your group.

**F3: Show how you will access appropriate and sufficient financial expertise to manage your school budget.**

You must:

- Show that you have identified the resources, people and skills that you will need to set up arrangements for and undertake the financial management of a school;
- Confirm sufficient time commitments to the project from relevant individuals; and
- Set out clear and detailed plans for identifying and securing any necessary financial expertise, including an understanding of school budgets, currently missing from your group.

**F4: Show how you will access other relevant expertise to manage the opening and operation of your school.**

You must:

- Provide details of your group, including the members of the company, who have relevant expertise and experience in addition to finance and education;
- Show that your group has identified other relevant expertise, such as individuals or organisations with successful experience of setting up a new organisation or business, school governance, human resources, ICT, property/construction, marketing and project management;
- Set out clear and sufficient time commitments to the project from the relevant individuals;
- Explain how work on this school will be balanced against the development of others if your group is seeking to establish more than one school; and
- Set out clear and detailed plans for identifying and securing any necessary expertise currently missing from your group.

**F5: Provide realistic plans for recruiting a high quality principal, other staff and governors in accordance with your proposed staffing structure and education plans.**

You must:

- Set out plans for recruiting your school's principal (head teacher) and the role you envisage him/her playing in the pre-opening phase;
- Provide the CV of your preferred principal designate, if you have already identified one, along with evidence of their ability to deliver your education vision and plan and to lead your proposed school;
- Set out your plans for recruiting and developing high quality members of staff;
- Tell us about any individuals you have already identified as prospective governors and their relevant skills and expertise; and
- Describe how you will identify and appoint committed governors with the necessary skills to oversee both the establishment and running of a school.



In preparing your application, it is important to note that:

- Where you have already identified a preferred principal designate, we may require that person to be assessed before appointment; and
- If your application is approved, you will – subject to our agreement – be able to appoint a principal designate one (or in some cases two) terms in advance of the school's opening date<sup>23</sup>.

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<sup>23</sup> The salary will need to come from your project development grant.

## Section G: Initial costs and financial viability

6.21 In this section, you should show how your school will be afforded, in its first years and beyond, by explaining what income you will receive and how you plan to spend it. The financial information and explanations should underpin the rest of the application.

6.22 We want to understand two things from this section – if your school is financially viable within the funding available; and if your group has the necessary financial competence to establish and run a publicly funded school. We expect you to show how you have kept costs as low as possible.

6.23 Please note that approval of your application does not mean approval of all the funding requested. The amounts suggested by this template should be treated as indicative only. They do not represent the actual funding a school would receive if approved, and post-opening funding levels may decrease. We understand that in most cases it will not be possible to be precise about all actual costs at this stage, but you should use the information available and evidence your assumptions with benchmarking data.

6.24 In developing your plans you should remember that the Academy Trust will be accountable for the money you receive and how it is spent. You should demonstrate that planned expenditure can be justified and represents the best possible value for money. For example, you may wish to show how you have minimised the cost of establishing your proposed school. One way of doing this would be to show that your proposed spend is lower than existing benchmarks for similar schools. The financial operation of Free Schools is governed by the [Academies Financial Handbook](#)<sup>24</sup>.

### Preparing your financial plans

6.25 Before you begin to develop your finance plans, you should read the overview of school funding in **Annex B** which explains the different types of funding available. You may also need to refer to the glossary of terms at **Annex D**.

6.26 You should ensure that you:

- Explain the affordability of your specific plans, making sure the information you provide in Section G and in your financial plans are consistent with the information provided in the rest of your application;
- Include an overview explanation in Section G of how you developed your financial plans and the thinking behind them. As part of this, you should explain how you have kept costs as low as possible, and describe how

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<sup>24</sup> We are currently revising the Academies Financial Handbook. A revised version will be published on our website in due course.

your financial plans support delivery of your education vision and plan. You should also explain in the spreadsheet the assumptions you based your plan on, and the reasons/evidence you have to show that these assumptions are realistic;

- Complete a financial plan showing income and planned expenditure and include the assumptions made about income and expenditure on the two assumptions tabs on the spreadsheet. The financial plan template is available [here](#) and must be used for all primary, secondary, 16 to 19 and all-through Free School applications<sup>25</sup>; and
- Complete a second financial plan (using the same template) on the basis that you are only able to recruit 80% of your planned numbers. You will need to revise the explanations of income and expenditure assumptions as well. We ask for this to see how resilient the school will be in the event pupil numbers do not reach capacity as quickly as planned. You should show how you would use the reduced levels of funding and what changes to your plans you would make. You should not simply increase the percentage of children on free school meals or the amount of third party income to compensate for the reduction in per pupil funding.

## **Key points to remember when preparing your financial plans**

6.27 You should read and consider the following points before preparing your financial plans:

- Your financial plans should cover the period from when your school opens up to and including the academic year after the school has pupils in each year group. For example, if you are applying for a primary school opening in September 2014 with a reception class, and adding pupils each year, it will be 2020/21 before there are pupils in each year up to and including Year 6. You would therefore need to complete a financial plan covering the period 2014/15 to 2021/22. If the application is for an existing independent school that does not intend to expand, it is not necessary to provide more than three years of plans. If there are significant and material financial factors that may arise in subsequent years these should be clearly explained in Section G of the application form, including the possible impact such factors may have on financial viability;
- If your application includes boarding provision, fees may be charged to cover the cost of board and lodging only. You should therefore separate the income and expenditure related to boarding from the income and expenditure related purely to education. This will better enable us to assess these separate parts of your application;

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<sup>25</sup> The mainstream financial plan template must **not** be used for applications for alternative provision, studio schools, university technical colleges or special schools – separate templates are available for those applications.

- In both financial plans, your income must always exceed your expenditure, taking post-opening grant and reserves you have built up in prior years into account;
- The plans should not be predicated on your school being able to borrow money;
- The information in the financial plans should be consistent with the rest of the application;
- Cost estimates should be realistic and based on evidenced assumptions and any available benchmarking data. We provide some data which is available [here](#) and the 2010-11 Academies Spend Data is available [here](#);
- You should use best estimates where there are uncertainties but always provide an explanation of how you have arrived at the figures;
- Any income you are expecting to receive from sources other than the Education Funding Agency must be realistic with robust evidence provided;
- You should not carry over excessive balances of money from one year to the next (we would normally consider this to be anything over 12% of income);
- You do not need to include income or expenditure relating to capital – i.e. the cost to purchase or rent your school building. You should, however, include information on building maintenance costs; and
- You should not make any provision for inflation in your forecasts included in this template. However, if you identify costs that may increase ahead of inflation, such as staff pay progression, you may identify these separately in the pay or non-pay costs worksheets as appropriate.

6.28 Both completed financial plans must be submitted alongside your main application **as electronic Excel files and in hard copy**.

## **Completing the spreadsheets**

6.29 For detailed guidance on how to complete the two financial plans, please refer to **Annex C**.

## **Criteria used in the assessment of this section**

6.30 We will be using four criteria in this section. Three of them apply to all Free School applications. You should only seek to address criterion **G4** if you are an existing independent school seeking to become a Free School.

**G1: Provide accurate financial plans that are consistent with the rest of your application and based on realistic assumptions about income and expenditure.**

You must:

- Make sure that the information in your financial plans is consistent with the other parts of your application e.g. the staffing structure and pupil numbers in the education plan should agree with the financial plans;
- Outline your assumptions in estimating the income and expenditure for the school, and confirm which benchmarking data you have used;
- Explain any unusual items of income and expenditure in the financial plans;
- Show that you have allowed for unforeseen contingencies; and
- Demonstrate that any third party income you have included is realistic and achievable.

**G2: Show how the school will be viable by operating within the expected levels of funding available both during the post-opening period and when there are pupils in each year.**

You must:

- Show in **both financial plans** that income, including the post-opening grant, would exceed expenditure for each year up to and including the first year in which you have pupils in each year (the 'post-opening' period); and
- Ensure that any projected surpluses of income over expenditure are not excessive (anything over 12% of income).

**G3: Show how the school will be financially resilient to reductions in income.**

In your second financial plan you must:

- Show how you would reduce your spending to less than your income if you were not able to achieve the levels of income assumed in your first financial plan. You must show how you would do this whilst still delivering high quality education in line with your stated education vision and plan; and
- Show how you would manage if only 80% of pupil places were filled in each year.

You should not increase the percentage of children on free school meals or the amount of third party income to compensate for the reduction in per pupil funding.

**G4: For existing independent schools, show that the existing school has a good track record of financial management and explain any existing financial issues which could impact on becoming/establishing a Free School.**

You must:

- Submit the school's audited financial statements for the last two years with your completed application form; or
- Supply alternative evidence of financial viability if the school has not been open long enough to have two years' worth of audited accounts.
- Tell us about any relevant financial issues and explain how you will seek to address them. You should expect to discuss these in greater detail in later stages of the application process. Examples of financial issues which may impact on becoming a Free School include running at an operating deficit or having outstanding loans, including mortgages; and
- Explain the school's governance arrangements with regard to financial control.

## Section H: Premises

6.31 Finding a suitable site is an essential part of opening a Free School. As part of preparing your application you should investigate potential sites for your school. In your application you should tell us about the sites you have identified.

6.32 We need to know where you want your school to be. In your application you should include details of up to two preferred sites that you could potentially open on. However, not having a preferred site at this stage will not affect your application. If your application is taken forward to the interview stage of the application process, your preferred sites may be visited by the Education Funding Agency (EFA). The EFA, which is part of the Department for Education, will assist in finding and securing Free School sites. It will assess the sites it visits for their suitability, availability, and the likely cost and duration of work required.

6.33 We will also make an overall cost and value for money assessment of your preferred site. You should therefore aim for the lowest possible capital costs. Successful applicants will be provided with help to secure a suitable site for their Free School. Advice and guidance on how to find potential sites, as part of developing your application, is available from the EFA by contacting them by [email](#).

6.34 We do not expect to provide capital funding to independent schools that do not plan to create additional places. If you wish to expand provision as an independent school, we will consider whether capital funding may be made available. Decisions will be made on a case by case basis with strong supporting evidence required.

6.35 You should make enquiries as to whether your preferred sites are available for acquisition or leasehold but you **must not** enter into any negotiations at this or any other stage on the expectation of government funding. If your application is approved, the EFA will undertake negotiations to acquire a site for your school.

6.36 **Please note** that if, after approval of your application it proves impossible to identify a feasible site, we may not be able to open your school in September 2014, simply because of the time required to prepare a site for opening. If this is the case, the EFA will help you with your search for a site and we may consider working with you towards opening in 2015 or beyond.

### Information required on your site options

6.37 Although this section of your application will not be assessed against any specific criteria, you should provide us with the information requested below.

6.38 **Possible site options** - describe the steps you have taken to search for suitable sites and what sites (if any) are available in the local area.

**6.39 Details of your preferred sites** - for each of your preferred sites, please provide, if possible:

- your reasons for choosing it;
- the address and postcode;
- an outline of its current use;
- details of the current freeholder;
- a brief description of the site including size (in square metres) along with your proposed pupil numbers;
- an outline of its availability and the nature of the tenure; and
- an explanation of why it is suitable for your school and how it will support delivery of your education vision.

**6.40 Capital investment** - detail any sources of funding available to you to support site acquisition.

## **Free Schools in public and government buildings**

6.41 When looking for potential sites we encourage you to consider surplus or under-utilised government and other public buildings. These can offer cost-effective solutions. A wide range of public buildings could provide suitable accommodation for a Free School, including:

- offices;
- courts and police stations;
- clinics, health centres, day centres and hospitals;
- care facilities;
- training centres;
- Territorial Army facilities and barracks;
- depots;
- former churches; and
- ambulance stations and fire control centres.

6.42 We would welcome applications to establish Free Schools in under-utilised Government buildings. Information about available sites can be found via our [website](#). They currently include a Department for Education building, Castle View House in Runcorn, where there is potential to share the site with us.

6.43 If you are interested in any of these properties please email the EFA at this [address](#). The EFA will provide you with further detail about these sites and will be able to advise you on how they might match your education vision.



## Section I: Due diligence and other checks

6.44 We will carry out a number of checks on those applying to establish a Free School and any other person who will be involved in the management or running of a school. These will include due diligence checks, credit checks, and enhanced Criminal Records Bureau checks and may include police and other checks necessary to ensure that only those who are suitable to do so are able to set up and run a Free School. Personal information provided as part of the application process, including the information requested below, may therefore be passed to third parties for these purposes.

6.45 In order to be able to carry out these checks we require applicants to provide certain personal information. The form is available [here](#).

6.46 We must receive these forms by 6pm on 4 January 2013. When completed please send the due diligence forms directly to the Due Diligence Team (see paragraph 7.5). These forms should remain separate from your main application and be submitted in hard copy only.

6.47 Some applicants are already well known to us and have a proven track record in setting up new publicly-funded independent schools. In such cases, it is unnecessary to conduct further due diligence checks to establish their suitability to set up a Free School.

6.48 Therefore, we will not require such applicants to submit Section I suitability and declaration forms. The applicants covered by this arrangement are those where all the following conditions are met:

- the Department has an existing relationship with the applicant; and
- the applicant has a proven track record in setting up and running sponsored Academies; and
- these sponsored Academies form part of an existing Multi-Academy Trust.

6.49 This will mainly affect a small number of chains who already work with us and are already established Academy sponsors. If you are not sure whether this applies to you, please contact [due.diligence@education.gsi.gov.uk](mailto:due.diligence@education.gsi.gov.uk).

6.50 For the purposes of the Data Protection Act 1998, the Department for Education is the data controller for personal information supplied on these forms and for ensuring that this information is processed in accordance with the requirements of the Act. Any third parties processing personal information on behalf of the Department for Education will be acting as its data processors. The Department for Education will hold all personal information you supply securely and will only make it available to those who need to see it as part of the application process. All personal information supplied in these forms will be destroyed when it is no longer needed for the purpose of the due diligence process.

6.51 Applicants who refuse to provide any of the information requested may be asked to withdraw from the process and from any subsequent involvement in the Free School in order for the application to be considered.

6.52 It is our policy that where an applicant is judged to be unsuitable to be involved in the operation of a Free School, he or she may be offered the opportunity to withdraw from the application process. Where an applicant declines to withdraw, the application may be refused.

6.53 Where an application is refused on the grounds that an individual is deemed unsuitable, the applicants will be informed that it is not assessed to be in the interests of the Free Schools programme to progress the application with the involvement of that individual. Fuller reasons may not be provided.

## 7. Submitting your application

### How, where and when to submit

#### Sections A-H

7.1 **Sections A-H** require you to submit written information and two financial plans between 9am on 17 December 2012 and 6pm on 4 January 2013. Applications received outside these times will not be considered.

7.2 You need to submit **one copy by email** to **mainstream.fsapplications2014@education.gsi.gov.uk** and **two hard copies** by 'Recorded Signed For' post to:

Free Schools Applications Team  
Department for Education  
3<sup>rd</sup> Floor  
Sanctuary Buildings  
Great Smith Street  
London SW1P 3BT

7.3 It is essential that the hard copies you provide are identical to the electronic version you email. Your application should be no more than 150 pages long and structured in line with the criteria. It should be formatted for printing on A4 paper, be completed in Arial font with a minimum font size of 12 and include page numbers. Annexes should be included within the page limit and restricted to documents relating to your evidence of demand (e.g. questionnaires and maps) and relevant CVs. Your application should be submitted as one Word document (with the exception of the financial templates which should be submitted separately in Excel and are excluded from the page limit). Please ensure that you include the name of your school in the file name for both your Word and Excel documents. Please do not include photographs, images and logos in your application (other than the demand map); your email, submitting your application, must be no more than 10MB in size.

#### Section I

7.4 For due diligence purposes, you will also need to submit one hard copy of the **Section A** form and as many signed hard copies of the **Section I Personal Information Due Diligence form** as are required (each member and director of the company must complete and sign a form).

7.5 The lead applicant or main contact should put these together in **one envelope** and return them by 'Recorded Signed For' post to the following address:

Due Diligence Team  
Department for Education  
4<sup>th</sup> Floor  
Sanctuary Buildings  
Great Smith Street  
London SW1P 3BT

7.6 Please remember that we must receive all of the documents that make up your application by 6pm on 4 January 2013 in order for them to be considered<sup>26</sup>. Please use the checklist in **Annex E** of this document to ensure that you have provided all the information we need to assess your application.

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<sup>26</sup> Applicants should not submit additional supporting material after this date, although we reserve the right to request additional information if deemed necessary.

## 8. Support for applicants

### Useful contacts

8.1 Please find below contact details of organisations that are able to offer support:

- For general advice, please contact the [New Schools Network](#). The New Schools Network is an independent charity which we fund to provide free advice and guidance to Free School applicants.
- Advice and guidance on how to find potential school sites, as part of developing your application, is available from the EFA by contacting them by [email](#).
- If you have any technical problems with this guidance, our website or any of the forms, please call us on 0370 000 2288 or visit our [website](#).

### Further information and key documents

8.2 There are a range of websites and documents that you may find useful when writing your Free School application, including:

#### **Academies Financial Handbook:**

<https://www.education.gov.uk/publications/eOrderingDownload/Academies%20Financial%20Handbook.pdf>

We are currently revising the Academies Financial Handbook. A revised version will be published on our website in due course.

#### **Academies Spend Data 2010-11 (for examples of Academy finances):**

<http://www.education.gov.uk/schools/performance/academies.html>

#### **Behaviour and exclusions policies and guidance:**

<http://www.education.gov.uk/schools/pupilsupport/behaviour/behaviourpolicies>

#### **Boarding schools, National Minimum Standards:**

<https://www.education.gov.uk/publications/standard/AllPublicationsNoRsg/Page10/DFE-00076-2011>

#### **Charity Commission guidance:**

<http://www.charitycommission.gov.uk/publications/cc3.aspx>

#### **Companies House:**

[www.companieshouse.gov.uk/](http://www.companieshouse.gov.uk/)

#### **Department for Education Procurement Guidance for Free Schools:**

[www.education.gov.uk/freeschools/b0073235/procurement-guidance-for-free-schools/](http://www.education.gov.uk/freeschools/b0073235/procurement-guidance-for-free-schools/)

**Education Funding Agency (Capital):**

<http://www.education.gov.uk/aboutdfe/executiveagencies/b00199952/the-education-funding-agency/efa-capital>

**Education Funding Agency (Revenue):**

<http://www.education.gov.uk/aboutdfe/executiveagencies/b00199952/the-education-funding-agency/efa-academies>

**Equality Act 2010:**

[www.legislation.gov.uk/ukpga/2010/15/contents](http://www.legislation.gov.uk/ukpga/2010/15/contents)

<http://education.gov.uk/aboutdfe/policiesandprocedures/equalityanddiversity/a0064570/the-equality-act-2010>

**Free Schools Indicative Budget Allocation Calculator:**

This ready reckoner is based on information relating to the 2012/13 academic year and provides **illustrative information only**. It does not reflect the actual funding schools will receive from 2014/15 onwards -

<http://media.education.gov.uk/assets/files/xls/m/mainstream%20free%20schools%20ready%20reckoner%20tool.xls>.

A ready reckoner tool for 16-19 funding is also available –

<http://media.education.gov.uk/assets/files/xls/1/16-19%20free%20schools%20ready%20reckoner%20tool.xls>

**Frequently asked questions about Free Schools:**

[www.education.gov.uk/schools/leadership/typesofschools/freeschools/freeschoolsfaqs](http://www.education.gov.uk/schools/leadership/typesofschools/freeschools/freeschoolsfaqs)

**Governance guidance:**

[www.education.gov.uk/schools/leadership/governance](http://www.education.gov.uk/schools/leadership/governance)

**Information on existing Free School projects:**

[www.education.gov.uk/schools/leadership/typesofschools/freeschools/b0066077/free-schools-opening-in-2011](http://www.education.gov.uk/schools/leadership/typesofschools/freeschools/b0066077/free-schools-opening-in-2011)

**Model Free School funding agreements:**

[www.education.gov.uk/freeschools/a0074737/free-schools-model-funding-agreement](http://www.education.gov.uk/freeschools/a0074737/free-schools-model-funding-agreement)

**Model Free School memorandum and articles:**

[www.education.gov.uk/schools/leadership/typesofschools/freeschools/guidance/a0074737/free-schools-model-funding-agreement](http://www.education.gov.uk/schools/leadership/typesofschools/freeschools/guidance/a0074737/free-schools-model-funding-agreement)

**New Schools Network:**

<http://newschoolsnetwork.org/>

**School Admissions Code and School Admissions Appeals Code:** a new version of the School Admissions Code was published in early 2012 and will be applicable to admissions from September 2013 onwards. It should be taken into account when preparing applications and is available at:

<http://www.education.gov.uk/schools/adminandfinance/schooladmissions/a00195/current-codes-and-regulations>

**Schools benchmarking website (for examples of maintained school finances):**

<https://sfb.teachernet.gov.uk/Login.aspx>

**Seven Principles of Public Life:**

[http://www.public-standards.gov.uk/About/The\\_7\\_Principles.html](http://www.public-standards.gov.uk/About/The_7_Principles.html)

**Special Educational Needs Code of Practice:**

[www.education.gov.uk/publications/standard/publicationDetail/Page1/DfES%200581%202001#downloadableparts](http://www.education.gov.uk/publications/standard/publicationDetail/Page1/DfES%200581%202001#downloadableparts)

**Special Educational Needs Progress and Next Steps Document:**

<https://www.education.gov.uk/publications/standard/AllPublications/Page4/DFE-00046-2012>

## Annex A: Types of Free Schools

One of the aims of the Free Schools programme is to have genuinely new provision which helps create a more diverse and innovative school system. What is important is that you have a vision for a school that will improve the educational outcomes of its pupils **and** have the capacity, capability and a plan to deliver this along with demonstrable demand.

In most cases the school you propose is likely to fall into one of the following four categories:

- **mainstream:** an all-ability school, which must cater for children of statutory school age, offer a broad and balanced curriculum, and have admissions arrangements in line with the School Admissions Code;
- **16 to 19:** a school catering principally for pupils aged 16-19. The school does not have to offer a broad and balanced curriculum or comply with the School Admissions Code. Students can be selected, following an interview if desired, on the basis of prior achievement or other criteria;
- **special:** a school specially organised to make educational provision for pupils with special educational needs (SEN), which is designated for specific types of SEN. Traditionally special schools have only been able to admit children with statements of SEN (other than in certain specific circumstances). However, special Free Schools can admit children with SEN, both with and without statements. The admission of children without statements is limited to those that have a type of SEN for which the school is designated. If a school is oversubscribed for non-statemented places, the admission of those pupils must be in accordance with the School Admissions Code. Further information is provided in the special Free Schools' How to Apply guidance;
- **alternative provision:** a school catering principally for children of compulsory school age who may not otherwise receive suitable education. The School Admissions Code does not apply, and pupils are referred to the school by commissioners (generally schools, Academies and local authorities). The curriculum provided must be broad and balanced, which is defined as including English and maths as part of an appropriate, varied and stretching curriculum for the expected pupil cohort.

It is also possible for Free Schools of all categories to offer boarding provision:

- **boarding:** a school that provides residential accommodation for some or all of its pupils. For mainstream Free Schools and non-statemented pupils in special Free Schools, admissions arrangements must be in line with the boarding requirements set out in the School Admissions



Code and fees may be charged to cover the cost of board and lodging only. For 16 to 19, special and alternative provision Free Schools, the School Admissions Code does not apply but the school must set out clear criteria for the admission of pupils to residential facilities. For AP and statemented pupils in special Free Schools, the associated costs will form part of the commissioned rate.

If your proposed Free School does not fit obviously into one of the types outlined above, you should apply using the application forms and guidance you think are closest to the type of provision you wish to offer.

For example, if you want pupils to be permanently on roll at your Free School (as opposed to short term placements) then it is not alternative provision (even if it wishes to offer an alternative curriculum) and you should follow the mainstream forms and guidance. If you want your school to offer a mix of provision which includes mainstream education then the mainstream form will normally be the most appropriate.

We have provided a grid below to help you pick which route best fits your proposed school. The key issue to consider is the type of pupils your school wishes to cater for and how you want to admit them. You should also include a short rationale at the beginning of the application under **Section C: Education vision**. This should set out what it is you wish to do and how you believe this will improve educational standards for your pupils. It should set out which pupils you wish to cater for, their needs and how you plan to admit them.

If you submit a strong application that does not fit within the current legal frameworks, we will still work with you to see what is achievable in terms of delivering your vision for a new school.

Type of Free School	Admissions	Curriculum	Funding
<b>Mainstream</b>	As for maintained schools and Academies, parents apply for a place for their child. Must comply with the School Admissions Code.	Must be broad and balanced.	Per pupil funding the same as local authority maintained school (including deprivation etc.).
<b>16 to 19</b>	Must have fair and transparent admissions arrangements but do not have to comply with the School Admissions Code.	Must meet the needs and interests of students but does not have to be broad and balanced.	Per pupil funding the same as for sixth form colleges.

<b>Special</b>	<p>Pupils with statements of SEN placed by the local authority maintaining the pupil's statement.</p> <p>Admission of non-statemented pupils must comply with the School Admissions Code.</p>	<p>Must meet the needs of all pupils and, where appropriate, should be broad and balanced<sup>27</sup>.</p>	<p>£10,000 per place funding for children with statements of SEN with additional funding for individual pupils agreed with the local authority.</p> <p>Funding for non-statemented pupils in special Free Schools will be based on the funding levels for students with similar SEN without statements in the local authority. We will also work with special Free Schools on a case by case basis to ensure appropriate funding is available.</p>
<b>Alternative Provision</b>	<p>Referrals from commissioners (Academies, schools and local authorities).</p>	<p>Must be broad and balanced. The definition of broad and balanced for alternative provision Free Schools is different to that of mainstream. It must include English and maths as part of an appropriate, varied and stretching curriculum for the expected pupil cohort.</p>	<p>For children of compulsory school age, £8,000 per place will be provided by the Education Funding Agency, for a number of places agreed in advance. The funding required above £8,000 will be discussed and agreed between commissioners and providers, and will be paid directly by the commissioner.</p> <p>Funding for 16-19 provision is at the mainstream 16-19 per pupil funding rate.</p>

<sup>27</sup> For special Free Schools a broad and balanced curriculum must (a) promote the spiritual, moral, cultural, mental and physical development of pupils at the school and of society and (b) prepare pupils at the school for the opportunities, responsibilities and experiences of later life.

## **Annex B: Free School funding overview**

### **Project development funding**

We will provide a project development grant to groups whose applications are approved to the next stage. This grant is to help cover everything that groups will need to buy up to the point that the school opens. It will include the cost of project management and education support, and other costs such as recruiting and paying a principal designate. The amount of funding depends on the type of school. Mainstream Free Schools opening in 2013 will receive £220,000 for primary schools, £300,000 for secondary and all-through schools, and up to £25,000 for existing independent schools wishing to become Free Schools. We will review these figures for Free Schools opening in 2014 with a view to making efficiency savings but this should give you a starting point for your planning. All services you require should be affordable from this allocated funding.

Project development funding for Free Schools opening in 2013 will be determined on a case by case basis for groups applying to set up 16 to 19, AP and special Free Schools although we will expect to agree funding within the mainstream levels for those schools. We will review this for 16 to 19, alternative provision and special Free Schools opening in future years.

### **Principles of school funding**

Funding is currently allocated to schools on a per pupil basis. The more pupils you have, the more funding you get. This is why having evidence of demand for your school is so important. If your school does not have enough pupils it will be very difficult for you to pay for staff and the upkeep of your school building.

### **Review of school funding**

The approach to and levels of funding for all schools, including Free Schools, is changing. We have recently announced that it is moving, from April 2013, to a system for all schools based on a simplified local funding formula. The final funding that schools will receive from 2013/14 onwards has therefore not yet been agreed. The information set out below and in the financial template are based on the Free Schools funding figures and approach used in 2012/13. This will change; therefore the information set out below and in the template is illustrative only. No guarantee can be given at this point about the approach that will be used and the levels of funding that will be received from 2013/14 onwards. If your application is approved, you will be expected to revise your budgets as your plans develop during the project development stage, including to reflect the 2014-15 funding information when it becomes available.

Free Schools, UTCs and Studio Schools opening in 2014 will be funded on

the local funding formula for the relevant local authority, in line with all other schools. We intend to protect Academy and maintained school budgets up to 2014-15 by using a per pupil minimum funding guarantee (MFG). This mechanism limits the maximum amount by which a school's budget can reduce compared to the previous year and has most recently been set at - 1.5%.

Free Schools, UTCs and Studio Schools opening in 2014/15 will plan on the basis of a 'ready reckoner' provided by the Department which will reflect the 2013/14 local formulae with a protection of minus 1.5% on a like-for-like basis. We expect that this 'ready reckoner' will be available in early 2013.

The Department has recently published a consultation on the future arrangements for LACSEG (Local Authority Central Spend Equivalent Grant). This grant is payable to Academies and Free Schools and provides funding to these schools in respect of services such as HR and financial management, education welfare services etc. These are services which maintained schools receive from the local authority free of charge. The consultation proposes that from 2013/14 that this grant will be paid on a nationally based per pupil rate. The rate is expected to be determined by the end of 2012, in the light of the outcome of the consultation, and it will be incorporated into the revised 'ready reckoner'.

## **Post-opening funding** (previously called start-up funding)

Post-opening funding is intended to bridge the gap between a school opening and there being pupils in each year group. It should enable a new school to cover essential costs when a school first opens, such as employing a principal and buying books and equipment, where these costs could not otherwise be met by the per pupil funding.

There are currently two main types of post-opening funding:

- a per pupil payment for non-staff costs; and
- a profile of payments per school to support staffing costs before a school reaches full expected pupil number capacity.

Non-staff post-opening funding for books, materials and equipment is based on a standard formula and will be the same for all schools depending on the number of pupils (£250 per pupil for primary and £500 per pupil for secondary). These elements will automatically appear in the financial template once you have entered pupil numbers.

Staff post-opening funding (the 'leadership grant') for mainstream primary and secondary schools is intended to support part of the salary costs for the school's senior staff as it grows towards full capacity. It is based on a formula that reflects the number of year groups which remain empty as the school grows. This funding is payable up until the point when all year groups in the school are operating. The table below shows the total amounts payable to

mainstream primary and secondary schools and the amount payable in each year depending on the number of year groups that are empty.

<i>Empty year groups</i>	6	5	4	3	2	1	TOTAL
<b>Primary</b>	£80,500	£67,500	£54,000	£40,500	£27,000	£13,500	£283,000
<b>Secondary</b>			£125,000	£93,500	£62,500	£31,000	£312,000

The leadership grant lines of the spreadsheet are blank for you to complete. You should use the information in the above table to help you.

The amount of the post-opening grant for **16 to 19, special and alternative provision** Free Schools is determined on a case by case basis, with the exception that, for 16 to 19 Free Schools, the non-staff per pupil funding is set at £500. Applications for these schools should set out the funding you believe you will need. You should, however, have regard to the total amount payable to mainstream primary and secondary schools. You will need to demonstrate that the amount requested offers value for money.

Please note that independent schools becoming Free Schools will **not** normally be eligible for any post-opening funding.

## Funding for nursery provision

Free Schools are also able to offer nursery provision if they wish, and may offer the 15 free hours a week to which every three and four year old, and the most disadvantaged two year olds, are entitled. The funding you receive to establish your Free School and provide for compulsory age education cannot be used for this purpose. Rather, funding for free early education is provided by the local authority using each local authority's Early Years Single Funding Formula. If you are interested in offering nursery provision, you should speak to your local authority to find out whether you would be eligible for funding from them and how much you could receive. Free Schools are also able, should they wish, to offer provision which exceeds any local authority free entitlement, including for under three year olds. Subject to their funding agreement, Free Schools may fund this by charging parents directly, or through a subsidiary company, or by contracting with an independent provider who levies charges.

## Annex C: Completing the spreadsheets

You should only input data in cells highlighted in blue. The spreadsheet also contains instructions for completion for each cell. You should complete the worksheets in the order below before reviewing the results that they give. You can then make any amendments and complete information on other worksheets:

- Cover Sheet
- Pupil Number Input
- Payroll
- Non Payroll Costs
- Post-opening Grant

Forecasts should be prepared on an academic year (September to August) basis. Please enter actual cash amounts e.g. £15,750 when completing the worksheets. The spreadsheet automatically calculates indicative levels of per pupil funding and post-opening funding based on the information you enter.

You may find it helpful to refer to the [Academies Financial Handbook](#) in preparing your financial forecasts. For example, forecasts should be prepared on the 'accruals' basis of accounting, which means that you should recognise expenditure in the accounting period in which it is incurred, which may be earlier than when the invoice is actually paid.

### Cover Sheet

- Name of proposed school: Please input the name of your proposed school.
- Local Authority area: Please select the local authority area in which you expect your school to be based from the drop down menu. If you choose the wrong local authority, this will affect the accuracy of your financial plans.
- Proposed opening date: Please select the date you anticipate your school opening from the drop down menu.
- Age range: Please select the type of school proposed from the drop down menu. If the age range of your school does not match an available option, please use 'Other' and input the age range into cell E15.
- Author: name of the person who led completion of the template.
- Version: select 80% or 100% capacity.

## Assumptions

These two sheets (income and expenditure) are very important. We use them to understand how you have developed your financial plans. You should therefore explain in full the income and expenditure you will receive and assumptions underpinning the application and financial spreadsheet. These assumptions should be realistic and evidence based. You may wish to include references to show the sources of evidence and any benchmarking information used.

Assumptions made could include the following:

- Pupil recruitment is assumed to grow at a steady rate until steady state is reached.
- Expenditure on heating based on information provided by current occupant.
- 6th form provision assumed to follow 5th year of pupil recruitment in secondary school.

The information provided on these sheets should be consistent with the information provided in the rest of your application.

## Pupil Number Input

This sheet generates an indication of the total per pupil funding your school may receive.

Please enter the total number of pupils that will be enrolled in your school, per year, for the primary phase in rows 21 and 25 (with any full time equivalent nursery numbers included in row 25 but not row 21), secondary phase excluding 16-19 (sixth form) in row 36 and for 16-19 (sixth form) phase in row 53. This number should include both new intakes as well as pupils already attending the school.

Nursery numbers are required for the LACSEG<sup>28</sup> calculation.

Funding for primary and 11-16 pupils is also affected by the characteristics of a school's intake. The template pre-populates a percentage uptake for Free School Meals, School Action or School Action Plus with the local authority averages. You should only complete alternative figures in row 24, 28 and 31 if you have evidence to support them. These should be included in the assumptions tab.

The 16-19 rates per pupil will be calculated for you when you select your local authority on the cover sheet. There are some areas where there is insufficient data for the local authority. In such cases, you should select a bordering area

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<sup>28</sup> See Glossary, **Annex D**.

and explain this in the assumptions, including why the selected area is a reasonable match.

## **EFA Grant Income**

This worksheet will automatically generate an estimate of grant funding income, including LACSEG, according to phase, the pupil numbers and characteristics input and local authority area selected.

To receive funding for nursery places (other than LACSEG), you need to register with the local authority which will provide funding for the free entitlement for 3 and 4 year olds (up to 15 hours per week). You should indicate this and any additional funding being received for nursery provision beyond that, e.g. through charging parents, on the Other Income and Non Payroll Costs tabs. Please note there are strict guidelines for charging for additional nursery provision which you should discuss with us if you are successful.

Other Grant Income from EFA: Free Schools are currently reimbursed for insurance and local authority rates. Please enter the amounts for insurance and rates in the 'Non Payroll costs' tab in rows 10 and 11. The 'EFA income' tab will then automatically update.

## **Other Income**

If you expect income from sources other than the EFA (e.g. nursery, fundraising) please include them on this worksheet. You should use the assumptions tab to provide robust evidence on why it is realistic and achievable to assume the levels of income you have included.

Any additional income would usually be used to enhance, extend, enrich the school's offer or to save towards capital projects and must not be fundamental to the operation of the school. The school must be viable on the basis of its EFA income against projected costs.

## **Payroll**

Data must be entered for each year, up to and including steady state. You should use this sheet to set out details of the staff you plan to hire, when you plan to hire them, and how much you plan to pay them. The information you enter here should match the staffing model included in your main application form. Columns B to M allow you to set up the unit cost for a particular type of post and to classify it by different categories so that you can analyse your payroll costs. Columns Q onwards allow you to build up your staffing profile as the school builds up. The standard rate for Teachers' Pension Scheme has been pre-populated for posts that are eligible for it. Non-teaching staff should be paid at the LA pension rate. You can find out who your local government pension scheme manager is [here](#). You should contact the relevant fund manager in the first instance to get a likely estimate of the



rate in your area.

Please insert relevant data for each staff type on a single line. For example, all teachers on the same pay and the same full time equivalent should be included in same line, with total number to be employed each year included in columns N, R, V. etc onwards. If a post is working less than full time, you should enter the full time equivalent figure in column C, otherwise enter the number 1.

For an explanation of a column heading, please hover over the relevant heading. The 'Allowance' column should be used to record any addition to basic salaries to which employer national insurance and pension applies. The 'Other on-costs' column should be used to record any addition to basic salaries which employer national insurance and pension do not apply to.

National Insurance is not a fixed rate and varies with earnings. For further information visit the HMRC website [here](#).

Education support staff are non-teachers who have an active role in supporting the education of pupils. They can include: teaching assistants, high level teaching assistants, learning support assistants for pupils with high levels of SEN or who have EAL, nursery nurses, modern language assistants, instructors, lab technicians, coaches, sports coaches, mentors, family support workers etc. Education support staff are separate from school administration staff.

You should visit the Schools Benchmarking Website and the [Academies Spend website](#) to get an idea of how much maintained schools and Academies spend on staffing costs. You should explain in your assumptions how you have taken these benchmarks into account when setting the level of spend on staffing costs for your school. Where a financial plan indicates that a significantly greater or lesser proportion of the school budget will be spent on staffing than typical, we would expect the financial section of the application form to set out clearly why this is appropriate for your school. You can access information on the [Schools Benchmarking Website](#) by using the 'Guest Login' link.

### **Other Payroll Costs**

Please use this sheet to enter any additional payroll costs your school will have. For example, these could include supply teacher costs or insurance, costs of any temporary or agency staff and specialists providing therapeutic and counselling services. These are individuals not directly employed under contract with the Trust but who are providing contact time.

Within this tab, you should also take account of pay progression for staff where this is likely to increase faster than inflation.

## **Non Payroll Costs**

You should use this sheet to enter the other expenses your school will have in addition to your staff salary/payroll costs. The worksheet is divided into two sections: expenditure that will be managed by the school directly; and expenditure for goods and services that you are planning to contract out.

It is sensible to include costs associated with depreciation of assets. This is where items such as laptops or minibuses (but not day to day items) will need to be replaced. As an example, a good financial plan might show that there is a need to buy more laptops in the third year, then replace other assets in the fifth year. These assumptions should be reflected in the 'Non Payroll Costs' tab.

Building costs will mainly be capital. Any lease/building purchase costs should not be accounted for here. What could be accounted, however, are building maintenance costs.

We would expect contingency to be around 1% of overall income.

The Schools Benchmarking Website and the Academies Spend website provide details of the non-staff costs typically incurred by maintained schools and Academies. The benchmarking information on the Schools Benchmarking website does not cover the costs of purchasing and providing services that only an Academy or Free School will need.

## **Post-opening Grant**

Books, materials and equipment: for each applicable phase and year, these cells will update automatically based on the pupil numbers from the 'Pupil Number Input' sheet.

Leadership grant will be dependent on phase and type of Free School. Free Schools will get a flat rate grant based on how many year groups are missing. This would be up to £283k in total for primary Free Schools (spread over 6 years) and up to £312k for 11-16 secondary Free Schools, including those with sixth forms (spread over 4 years). All through school will receive up to £402.5k (spread over 6 years). A proportion of the total sum is paid each year

The leadership grant figure should be obtained from the table provided on this sheet and inserted into row 13. All-through schools should complete this using the secondary figures. Prior to opening 16 to 19 Free Schools will need to negotiate their leadership grant with their lead contact in the Department. For planning purposes, however, you should use the mainstream leadership grant funding table (provided in the post opening sheet) as a guide and explain your rationale for the funding you think you should receive in your income assumptions sheet.

Please note that independent schools becoming Free Schools will not normally be eligible for any post-opening funding.

## **Income and Expenditure Account**

All income and expenditure information is automatically transferred from the other sheets. You do not have to enter any information on this worksheet.

You should carefully review the summary information on this sheet to see whether your school will be financially viable or not. You should also review levels of income and expenditure to see whether you can reduce the level of funding you will need. The financial indicator sheet will give you some basic analysis of your costs so that you can make comparisons with other schools. The expectation is that the surplus should be between 3-5% of the EFA grant income. There should be no more than 12% surplus in any one year, and anything above that would be clawed back by EFA.

## **Key Financial Indicators**

This sheet will provide you with a breakdown of your pupil and staff numbers as well as giving you a set of financial ratios on strands of your expenditure against overall costs.

## **Printing**

Each tab has been set up to print on A3.

## Annex D: Glossary of terms

**Academies Financial Handbook** - contains instructions for Academies regarding their funding and obligations towards accounting and reporting.

**Academy** - publicly funded independent educational institution free from local authority control. Free Schools are legally Academies. Other freedoms include setting their own pay and conditions for staff, freedom from following the National Curriculum (for mainstream and special schools - 16 to 19 and alternative provision schools already have this freedom in the maintained sector) and the ability to change the lengths of their terms and school days.

**Academy Trust** - a charitable company limited by guarantee which operates an Academy or Free School. See 'company limited by guarantee' for further information.

**Articles of association** - set out the purpose, composition and operating arrangements of the company limited by guarantee (the Academy Trust).

**Cash flow** - the pattern of spending in each month and the corresponding amount of income required.

**Catchment area** - the geographical area which you intend your school to serve.

**Collective worship** - all schools must provide a daily act of collective worship. For schools that do not have a religious designation, daily acts of collective worship should be of a broadly Christian nature.

**Company limited by guarantee** - a private company, where the liabilities of its members are limited, in the case of Academy Trusts to £10. This is the type of company that will most often be used for non-profit organisations. As a legal entity in its own right a company limited by guarantee can take out agreements and contracts in the name of the company rather than the name of individual members.

**Devolved formula capital** - funding for the maintenance and repairs of school buildings. Free Schools will not receive this funding in their first year.

**Directors** - are appointed by the members of a company to form a governing body and oversee the day-to-day management of the school. All individuals on the governing body must be formally appointed as directors of the company and registered with Companies House. It is possible for an individual to be a member and a director but we would expect most directors of the company not to be members. The directors will be the trustees of the charitable company.

**Due diligence** - is an umbrella term for a number of checks that will be made on all those applying to establish a Free School. The checks enable us to

ensure that only suitable individuals are able to set up and run a Free School.

**Education Funding Agency (EFA)** - the EFA (formed from the Young People's Learning Agency and Partnerships for Schools in April 2012) is part of the Department for Education. It currently funds all Academies and also funds other training for 16-19s.

**English Baccalaureate** - where pupils have secured a C grade or better in all of English, mathematics, history or geography, the sciences and a language.

**Equivalence** - the principle that Free Schools will receive funding which is equivalent to the funding they would receive as an Academy or maintained school in the same local authority area.

**Escalation (methods of)** - the approach to and level of responsibility at which particular issues will be resolved when setting up and running the school.

**Ethos** - the distinctive vision, values and principles that inform the way a school is run.

**Faith ethos** - If you want your school to have a distinct ethos based on a set of morals that are aligned with a particular faith and you want to make this explicit you can describe your school as having a faith ethos. This could then be reflected within the vision for the school, the values the school represents and the importance placed on particular beliefs. Religious education and collective worship cannot be provided in line with the faith ethos if this is anything other than Christian in nature.

**Faith Free Schools** - see religious designation.

**Financial viability** - whether a school can survive in financial terms in the long-term. Free Schools must be able to balance their budgets. This means spending less than their income. In the post-opening period, income is currently per pupil funding plus an additional post-opening grant. When schools reach steady state, their income will be per pupil funding only.

**Founding members of the company** - these are the people that establish the company and sign the memorandum of association that is submitted (with the company's articles of association) when registering the company with Companies House. Further members may subsequently be appointed.

**Free School Meals (FSM)** - Whether children are, or have ever been, eligible for free school meals is frequently used as an indicator of deprivation, and is often used as a qualifier for calculating funding targeted at deprived students/areas/schools.

**Full time equivalent (FTE)** - this represents the total pupil load as if all pupils are full-time, counting part-time normally as 0.5. So for example if the school will have 100 full-time pupils and 30 part-time pupils the FTE total would be

115. This is also relevant to staffing.

**Funding agreement** - a legally binding contract between the Academy Trust and the Secretary of State that sets out the conditions and requirements upon which the Academy Trust is funded.

**General Annual Grant (GAG)** - otherwise known as 'per pupil funding', this is an Academy's annual expected funding. Schools are expected to cover all their running costs out of their GAG.

**Governors** - see definition for 'Directors' above.

**Governing body** - the body appointed by the members of the Academy Trust to oversee the day-to-day management of the school and hold the senior management team to account. The governing body must be constituted in accordance with the Academy Trust's Articles of Association. Governors must be registered as directors of the company with Companies House.

**Grant funding** - a method of giving funds for a specific purpose and/or a limited amount of time.

**Information and Communication Technology (ICT)** - this includes telephony, computer equipment and operating systems for the running of the school. It also covers the use of ICT in the curriculum as a subject and to support teaching and learning.

**Indicative funding** - gives a school an estimated funding quote for the forthcoming academic year. It is based on the average local authority funding for maintained schools and the expected number of pupils on roll at that school in the relevant year.

**LACSEG** - local authority central spend equivalent grant is additional money to cover the cost of education services that the local authority provides to its maintained schools but which academies and Free Schools are free to secure independently.

**Leadership grant** - staffing element of post-opening grant.

**Looked After Children** - children who are in the care of the local authority.

**Local Government Pension Scheme (LGPS)** - a nationwide public sector pension scheme administered locally for participating employers through 99 regional pension funds. Free Schools must offer this scheme to all their non-teaching staff.

**Members (of the company)** - the company's legal owners. They play a strategic role in running the school, are responsible for appointing directors of the Free School (the 'governing body') and have ultimate control over the company.

**Memorandum of association** - contains the names of the individuals who are forming the company (the company's founding members). It indicates their willingness to become a member of the company under the Companies Act 2006.

**Pedagogy** - different styles and approaches to teaching.

**Post-opening grant** - previously called 'start-up funding' this is additional funding currently available when schools are first set up (and before there is a full cohort of pupils) for essential costs such as employing a principal (head teacher) and buying books and equipment.

**Post-opening period** - the period up to and including the first year the school has every pupil year group in place.

**Procurement** - the process of entering into contracts for the acquisition of goods and/or services.

**Project development funding** - funding provided to help set up the school before it opens. It can currently be used to help develop detailed plans for the school including the curriculum, recruiting a principal designate, running a consultation on the proposed school, and attracting pupils.

**Pupil premium** - additional funding allocated to schools for children who are eligible for free school meals. Children who had been continuously looked after for six months at some point in the period up to 31 March 2010 will also attract the Pupil Premium. A premium has also been introduced for children whose parents are currently serving in the armed forces; this was £200 in 2011-12 and rose to £250 for 2012-13. This service premium is designed to address the emotional and social well-being of these pupils.

**Qualified Teacher Status (QTS)** - is the accreditation that enables individuals to teach in state-maintained and special schools in England and Wales.

**Religious character** - see religious designation.

**Religious designation** - if you are proposing a mainstream school and want particular faith beliefs to be reflected in your staffing and admissions policies, we require you to seek something known as 'religious designation'. This is a legal recognition that your school has a religious character. In addition, you will need to ensure that when your school is entered on the Independent Schools Register, the entry shows that your school has a religious character.

You only need to do this if you intend to:

- provide religious education and collective worship according to the tenets of the faith of the school; and/or
- give preference when appointing teachers to those of the same faith as the school; and/or

- admit up to 50% of pupils on the basis of faith *if your school is oversubscribed*.

You do not need to seek religious designation if you are not intending to recruit staff or admit pupils on the basis of faith, or to provide a specific form of religious education and collective worship.

16 to 19, alternative provision and special Free Schools and UTCs and Studio Schools cannot be designated as schools with a religious character.

**Religious education (RE)** - all schools must teach religious education. For schools that are not designated as a school with religious character, the RE curriculum must reflect that the religious traditions in Great Britain are, in the main, Christian, while taking account of the teaching and practices of other principal religions in the country.

**School action and school action plus** - programmes for children with special educational needs who are not 'statemented'.

**School Admissions Code and School Admissions Appeals Code** - mainstream Free Schools must comply with the School Admissions Code which is a statutory document we publish that ensures equity and fair access for all. Applicants should note that a new version of the School Admissions Code was published in early 2012 and will be applicable to admissions from September 2013 onwards. The new code should be taken into account when preparing applications.

**Special educational needs (SEN)** - children with a learning difficulty which requires additional, or otherwise different, educational provision than is offered more generally for children of their age.

**Special Educational Needs Coordinator (SENCo)** - the SENCo plays a key role, in collaboration with the headteacher and governing body, in determining the strategic development of the SEN policy and provision in the school in order to raise the achievement of children with SEN. The SENCo takes day-to-day responsibility for the provision made for individual children with SEN, working closely with staff, parents and carers, and other agencies. The SENCo also provides related professional guidance to colleagues with the aim of securing high quality teaching for children with SEN.

**Service children** - children whose parents are in the armed forces. A premium has been introduced for children whose parents are currently serving in the armed forces; this was £200 in 2011-12 and rose to £250 for 2012-13. This service premium is designed to address the emotional and social well-being of these pupils.

**Solvency/insolvency** - a company or individual is solvent if the value of its assets exceeds the value of any debts it might owe. Insolvency occurs when a company or individual's debts exceed their assets, or if a company or



individual has insufficient funds available to meet its debts as they fall due.

**Statements of special educational needs** - a statement describes a child's special educational needs and the special help a child should receive. The LA will usually make a statement if it decides, following a statutory assessment, that all the special help a child needs cannot be provided from within the school's resources. These resources could include money, staff time and special equipment.

**Statutory assessment of SEN** - this is a detailed investigation to find out exactly what a child's special educational needs are and what special help a child needs. A statutory assessment is only necessary if the school or early education setting cannot provide all the help that the child needs.

**Statutory assessment arrangements** - this includes administering the phonics screening check at the end of Year 1; reporting teacher assessment judgements (informed by tests and tasks) at the end of Key Stage 1; administering National Curriculum Tests and reporting teacher assessment judgements at the end of Key Stage 2; and reporting end of Key Stage 3 teacher assessment judgements.

**Steady state** - the first year after you have pupils in each year group.

**Studio Schools** - designed to address the concern by employers that some school leavers do not have the skills to join the workforce. They are small schools for 14 to 19 year olds and teach an academic and vocational curriculum. Each has input from businesses, who shape what pupils learn and offer work experience. School days run on office hours, and holidays are shorter to reflect the working environment. By studying in this way, and by working with employers from an early age, students learn vital practical skills like punctuality, and good communication and behaviour in the workplace.

**Teachers' Pension Scheme (TPS)** - a contributory scheme administered by Teachers' Pensions (TP) on behalf of the Department for Education. Free Schools must offer this scheme to all their teachers, including head teachers.

**University Technical Colleges (UTCs)** - newly-established 14-19 Academies that deliver technical education to engage young people and meet the needs of modern business. UTCs are sponsored by a local university and industry partner(s). They offer full time courses that combine practical and academic studies, and focus on disciplines requiring highly specialised equipment, for example, engineering, manufacturing with product design, construction, or agriculture.

**Value for money (VfM)** - the term used to assess whether or not an organisation has obtained the maximum benefit from the goods and services it acquires and/or provides, within the resources available to it. It not only measures the cost of goods and services, but also takes account of the mix of quality, fitness for purpose, timeliness and convenience.

## Annex E: Application checklist

Checklist: Sections A-H of your application		
	Yes	No
1. You have established a company limited by guarantee.	<input type="checkbox"/>	<input type="checkbox"/>
2. You have provided information on all of the following areas:		
<b>Section A:</b> Applicant details – including signed declaration	<input type="checkbox"/>	<input type="checkbox"/>
<b>Section B:</b> Outline of the school	<input type="checkbox"/>	<input type="checkbox"/>
<b>Section C:</b> Education vision	<input type="checkbox"/>	<input type="checkbox"/>
<b>Section D:</b> Education plan	<input type="checkbox"/>	<input type="checkbox"/>
<b>Section E:</b> Evidence of demand	<input type="checkbox"/>	<input type="checkbox"/>
<b>Section F:</b> Capacity and capability	<input type="checkbox"/>	<input type="checkbox"/>
<b>Section G:</b> Initial costs and financial viability	<input type="checkbox"/>	<input type="checkbox"/>
<b>Section H:</b> Premises	<input type="checkbox"/>	<input type="checkbox"/>
3. This information is provided in A4 format using Arial font, minimum 12 font size, includes page numbers and is no more than 150 pages in total.	<input type="checkbox"/>	<input type="checkbox"/>
4. You have completed two financial plans using the financial template spreadsheet.	<input type="checkbox"/>	<input type="checkbox"/>
5. <b>Independent schools only:</b> you have provided a link to the most recent inspection report.	<input type="checkbox"/>	<input type="checkbox"/>
6. <b>Independent schools only:</b> you have provided a copy of the last two years' audited financial statements or equivalent.	<input type="checkbox"/>	<input type="checkbox"/>
7. All relevant information relating to Sections A-H of your application has been emailed to <a href="mailto:mainstream.fsapplications2014@education.gsi.gov.uk">mainstream.fsapplications2014@education.gsi.gov.uk</a> between 9am on 17 December 2012 and 6pm on 4 January 2013 and the email is no more than 10 MB in size.	<input type="checkbox"/>	<input type="checkbox"/>
8. Two hard copies of the application have been sent by 'Recorded Signed For' post to: Free Schools Applications Team, Department for Education, 3 <sup>rd</sup> Floor, Sanctuary Buildings, Great Smith Street, London SW1P 3BT.	<input type="checkbox"/>	<input type="checkbox"/>
Checklist: Section I of your application		
9. A copy of <b>Section A</b> of the form and as many copies of the Section I Personal Information form as there are members and directors have been sent by 'Recorded Signed For' post to: Due Diligence Team, Department for Education, 4 <sup>th</sup> Floor, Sanctuary Buildings, Great Smith Street, London SW1P 3BT, between 9am on 17 December 2012 and 6pm on 4 January 2013.	<input type="checkbox"/>	<input type="checkbox"/>



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